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**MEMORANDUM  
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FROM: Ernest G. Johnson  
Director  
Utilities Division

2009 JUL 10 12:10  
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AZ CORP COMMISSION  
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Arizona Corporation Commission

**DOCKETED**

JUL 10 2009

DATE: July 10, 2009

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RE: IN THE MATTER OF THE APPLICATION OF RADICAL SYSTEM SOLUTIONS FOR APPROVAL OF A CERTIFICATE OF CONVENIENCE AND NECESSITY FOR PAY TELEPHONE SERVICES (DOCKET NO. T-20642A-08-0588)

On December 4, 2008, Radical System Solutions, Inc. ("Radical System Solutions" or "Company") filed an Application to obtain a Certificate of Convenience and Necessity ("CC&N") to provide customer owned pay telephone ("COPT") service. On March 3, 2009, Staff issued its First Set of Data Requests to Radical System Solutions. On April 1, 2009, Radical System Solutions provided Responses to Staff's First Set of Data Requests. Included in Radical System Solutions' April 1, 2009 Response was a replacement page to Original Page 11 of the Company's proposed Arizona COPT Tariff No. 1. On June 8, 2009, Radical System Solutions filed several other replacement pages to the Company's proposed Arizona COPT Tariff No. 1.

The rates, charges, terms and conditions for COPT service are contained within Radical System Solutions' Customized tariff. Radical System Solutions' proposed tariff will apply to the provision of automated operator services for payphone use by inmates in Correctional/Confinement Institutions within the State of Arizona. Service is offered for outward-only calling. Radical System Solutions proposes offering an Institutional Automated Collect Operator Service that will allow calls to terminating locations anywhere within the State. Through an automated system, the called party must accept responsibility for payment of the charges by pressing the designated digit for acceptance.

Radical System Solutions is not yet operating in any other states. The Company has obtained its FCC international authority and has also been certified in Nevada. The Company's Application in California is currently pending.

The Company contracts individually with each inmate facility based on specific requirements set forth by the facility. The Company sets maximum rates in accordance with state prescribed rate caps and consistent with those on file by dominant carriers and those rates approved by this Commission for other competitive institutional service providers. Therefore, although the maximum per call/per minute rate structure is the same for all facilities served, the actual rates can differ.

A customer information placard was not provided with the Application. Radical System Solutions states in its Application that the customer information placard describing the services offered and the instructions for operation are not applicable to inmate phones. In response to Staff's First Set of Data Requests, Radical System Solutions has indicated that it will provide information to all inmate facilities informing inmate end users and their families or called parties about the payphone dialing instructions, service limitations, service rates and the Radical System Solutions customer service number. Calling instructions and rate information usually provided through the use of a placard affixed to the telephone will be provided by Radical System Solutions through automated announcements. A copy of the script has been reviewed by Staff. Staff believes this satisfies the customer notification requirement.

Additionally, in response to Staff's First Set of Data Requests, Radical System Solutions explained that the following information is provided to users of its services:

1. Dialing instructions and rates are available via automated announcements before each call is placed.
2. Service limitations are typically imposed by the correctional facility (allowed called-to numbers, call duration, telephone access, etc.).
3. Inmates are not allowed access to toll free telephone numbers.
4. The toll free customer service number is shown on Local Exchange Company ("LEC") bills and will also be on Radical System Solutions website.

Radical System Solutions also indicated that it would make the following options available to the caller and/or called party before any payphone charges are assessed:

1. Rate quotes for collect calls are available upon request at the time the call is placed.
2. Rate quotes are provided via an automated announcement during the call set-up process and prior to call acceptance.
3. The called party may listen to the rates and opt to refuse the call without incurring any charges.

Radical System Solutions stated, within its proposed tariff, that inmate calling capabilities may be restricted by the administration of the Correctional/Confinement Institutions. The following types of calls will be blocked: directory assistance, 0-, 700, 800, 900, 976, 950, 10XXX, 1+ sent paid, third number billed, credit card and local direct. In addition, the Correctional/Confinement Institution may block calls to specific telephone numbers, may limit calling service to pre-approved telephone numbers only, and may limit call durations.

Following discussions with Staff, Radical System Solutions revised its tariff in accordance with Staff's recommendation regarding the Public Telephone Surcharge maximum

rate. The Company indicated in its June 8, 2009 filing that it does not require advance payments and modified section 2.5 of its proposed tariff accordingly. The Company also modified its proposed tariff to remove its proposed Prepaid Institutional Calling Services. Therefore, Staff does not recommend Radical System Solutions procure a performance bond or irrevocable sight draft Letter of Credit at this time.

Staff recommends approval of the Application without a hearing pursuant to A.R.S § 40-282.

EGJ:PJG:red

Originator: Pamela J. Genung

Attachment: Original and Thirteen Copies

SERVICE LIST FOR: RADICAL SYSTEM SOLUTIONS  
DOCKET NO. T-20642A-08-0588

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